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1. During early April 1952 most departments of the Buero fuer Wirtschaftsfragen (BfW) held a brief stocktaking; and a number of rudimentary changes ensued which suggested that the period was regarded by Willi Stoph, its chief, as a breathing space before the office proceeded to assume new and greater responsibilities.

2. Whereas the attention of officials had previously been devoted almost exclusively to their duties connected with industry and its relationship with the para-military forces, conferences and instructions in April began to direct the officials' thoughts towards improving and expanding their own departments. In general, there was a feeling that higher authority was raising the organization's status and intervening on its behalf in major problems in the industrial sphere.

3. Early in April 1952 Bernhard Koppatsch, head of Abteilung II (Planning Section) of the BfW, HA. I (generally regarded as the right-hand man of Willi Stoph) was informed by Stoph that he would shortly leave his present appointment at the BfW, and would organize a new department to coordinate the work of certain sections which were about to be created. Stoph said that each existing specialist department in the BfW would shortly be required to decide upon five or six expansion targets in its own sphere on which he considered the BfW's customers (i.e. HVA, HVS, HVL, HVdVP) ought to keep abreast with the West, e.g. development of mine-laying equipment, signals equipment, diesel engines, etc. The responsibility for coping with these targets would then remain with the various technical departments where new sections would be formed accordingly. Koppatsch, apart from coordinating the work of various new sections formed, would also be responsible for liaison with the various ministries and the Zentral Amt fuer Forschung und Technik (ZAFT).

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4. At a conference of all section heads of his department about mid-April (basing his remarks on conversations which he said he had had with Stoph), Heinz Raeschler, head of HA II (implementation of plans), stressed the fact that all officials of the BfW ought to regard the planning of the future expansion of their departments, particularly selection of staff, as being as important as day to day work. He said that policy was to get rid of employees with low qualifications, amounting to between 50% and 60%, and replace them with a trained staff. Heads of departments should bear in mind that their staffs ought to form cadres capable of adapting themselves quickly as new commitments occurred.

5. In the course of April 1952, acting on the advice of his juniors, Raeschler prepared a paper for Stoph in which he quoted the organization of the former Deutsche Waffenamt as a pattern for the expansion of the BfW. He laid particular stress on the Procurements Department (Beschaffungsamt) and on the delivery mechanism of the Waffenamt (Abnahme or Pruefungs Apparat) both of which he considered had been based on highly efficient systems and could be copied to advantage in the BfW's own structure.

6. The formation of the BfW's own transport column originally proposed in March 1952 was given high priority during April. By the end of April it was almost ready to be put into operation.

7. On 19 April, Raeschler called all section chiefs to a conference at which he gave a review of the achievements and failures of the year. Emphasis was on failures. He said that 65 % of the tasks carried out had been in vain. The low standard of achievement could be partly explained by the fact that customers, particularly the HVA, had been inexact in stating their requirements. Under the Five-Year Plan, orders had to be placed with firms by a certain date, but some orders which ought to have been ready in January 1952 were still outstanding.

8. The position regarding delivery of goods was even more gloomy. Up to the end of April 1952, only 3.3% of the undertaking of all departments had been completed. Raeschler said that he realized that this was partly due to bad specifications from customers, and to difficulties in the supply of materials; but the low percentage of successes was nevertheless an indication that work in the HA.II would have to face up to the fact that owing to the political situation, the responsibilities which they would shortly have to undertake would be greatly increased.

9. Among the most successful departmental work in the BfW, according to Raeschler, was that of Abteilung III. In the report of the year's work (Rechenschafts-bericht) the department was able to show a greater number of successfully completed tasks than any other department. In reviewing its work for the year, the head of this department was able to show a considerable improvement in the supply of vehicles to the police. Whereas at the beginning of 1951 the latter were dependent on a collection of vehicles acquired more or less at random, by the end of 1952 a clear plan for vehicle supply had taken shape.

10. The annual report of the Abteilung III for 1952 referred to by Stoph, claimed a considerable improvement in vehicle supplies to the police in the year 1951-52. According to the report, three classes of vehicles had been developed to meet the most pressing requirements of all customers; a light vehicle as a means of towing small equipment, a medium vehicle capable of taking five to six ton trailer loads and a heavy tractor which could pull loads of 8 tons or more.

11. The need for the first of these three classes was met by the Granit 27, a 50 h.p. vehicle with an air-cooled gasoline engine, and an alternate to this vehicle was almost available in the form of the Granit 32, a 50 h.p. diesel engine, which could be produced with effect from October 1952. An emergency alternative in this class was furnished by the H.1, an old design of which a few vehicles were still being produced. A satisfactory answer to demands in the medium class was provided by the G.5, whose production was being steadily improved; and the KS.120 (now re-named KS.05) was almost available as the solution to the demand for vehicles of the heavy class.

12. Light Towing Vehicles: One of the minor successes claimed by the Abteilung III during April 1952 was the trial on 5 April 1952 of the all-wheel drive Granit Phaenomen envisaged for the towing of small guns (e.g. 7.5 cm.) signals equipment and trailers. This vehicle with a 50 h.p. engine was not entirely unfamiliar, having been used by the German Wehrmacht before 1945, when roughly 25,000 were produced. The vehicle, tested at Zittau, was designed so that the front wheel drive could be disconnected. Initial tests were very satisfactory, but at a trial before Makarov on 23 April 1952 (primarily concerned with the G.5), the front suspension broke. Nevertheless the towing capacity and climbing capacity proved to be better than that of the 80 h.p. H.1 on which the police had hitherto been dependent. The latter, an old design of the Horsch Works, had been produced in a series of 30 vehicles in 1951, and 152 further vehicles were being assembled by Framo Heinichen in 1952. The main aim in producing the vehicle at all was to use up spare parts of the Horsch KFZ 15, of which a number were still held. By April 1952, the BfW had, however, received clear orders from the SCC that the H.1. was to be regarded as a temporary local solution to the light towing problem, and was to be abandoned after the limited 1952 production was completed. The reason for this decision was that the Horsch engine, in 8-cylinder V-form, was regarded by the Russians as being archaic. Instructions intimated that although the H.1 in its existing form would never be put on the production line, if an 80 h.p. engine could be discovered which could also be used for civilian purposes, this might be introduced into the H.1. of the future.

13. Also in the light vehicle class, the BfW could point to the 160 specimen P.1's which were ready for trial. The P.1. was not intended for towing but was primarily designed as a communications and personnel vehicle. It was a 4-liter Kuehlwagen similar to the former Wehrmacht KF.2., on which its whole design was based. It embodied a four-wheel drive, had five gears and was a relatively uncomplicated vehicle. The greatest difficulty which it had presented was that of the engine. As no other engine was available at the time, attempts had at first been made to employ the BMW 340-type engine. These proved to be unsuitable and a decision had been taken that after the initial 160 specimen vehicles no more 340-type engines would be built into them. BMW had been asked to design another 50 h.p. engine by removing two cylinders from the 670-type engine. Like the H.1, the P.1. in its existing form was regarded as a makeshift for 1952 and was expected to be discontinued by 1953.

14. The Medium Class: Orders from Karlshorst via Willi Stoph during April 1952 continued to stress the importance of the G.5 production as a target for 1952. The first of 30 trial vehicles was completed at the Forschung und Entwicklungswerke, Chemnitz on 1 April 1952, the second on 20 April, at the same place, and the third by the Lowa Works in Werdau on 1 May 1952. Various technical tests were carried out at Chemnitz and VPD Gloewen from 15-22 April 1952, and an important demonstration was carried out at Berlin-Wuensdorf on 23 April 1952. Originally General Chuikov, SCC, General Makarov, SCC and Chief Insp. Heinrich Heitsch (in the absence of General Insp. Karl Heinz Hoffmann) were expected to be present, but on the date in question Makarov, his interpreter Egerov, Raeschler, and Robert Hoffmann, BfW, and Rogahn and Seelmacher, fnu, of the HVA were the officials present. During the trial the transmission of the G.5 broke, but Makarov nevertheless expressed satisfaction with the general design. The latter, although similar in construction to the ZIS 150 used by the Russians, was a completely new vehicle with an all-axle drive. It was a useful 5-ton truck which could take loads of 5-6 tons without

any effort, and was especially suited for drawing artillery pieces of 12.2 cm and 15.5 cm. caliber. As a result of the demonstration, G.5 production was approved and the authority finally sent to Lowa of Werdau to begin production. Horsch of Zwickau was ordered to begin regular production of the engines and frame (Rahmen) for the vehicle; Liebert (Wolkwitz), the gear-box (Getriebe); Roneburg, the wheels, and a factory in Riesa the 825 x 20 tires. From the outset material shortages were apparent, Werdau being dependent on a possible delivery of 835 tons of steel which would only be available if a shortage of 4,000 tons already confronting the HV Fahrzeugbau (Ministry for Machine Construction) were made good. As East Germany was obliged to guarantee 16,000 tons to Czechoslovakia within the year 1952, there appeared to be considerable doubt about deliveries to Werdau. Other problems such as manufacture of self-starters, production of crankshafts etc. still remained unsolved, but nevertheless in April 1952, Abteilung III of HA.II was able to report that improvements and progress had been made. Gear box production was being improved by the copying of Gleason machinery and negotiations with Staatssekretaer van Rickeln (Ministry for Materiel Procurement) about tires had shown that as a result of the arrival of large quantities of natural rubber from the Soviet Union, supplies for vehicle production were now assured. By the end of May it was confidently expected that the first 10.G.5's would be finished, by the end of June another 25 would be completed and by the end of July, 125. It was planned that 25 of the first 125 finished vehicles would be passed to Bereitschaften for major trials after being delivered to them complete. The remaining 100 would be passed to other works to be adapted as decimeter trucks (Decimeter Stationen), towing trucks (Autokran) and charging trucks (Ladestation) etc. As these modifications would require at least four or five months, Abteilung III was determined that the necessary 100 vehicles should be off the first stage production lines by the end of July, so that the manufacture of the adapted vehicles could also be begun within 1952.

15. In the hope of minimizing the dangers of delay of G.5 production because of material shortages, a conference was held at the Ministry for Machine Construction early in April. It was attended by Minister Gerhard Ziller, Lang, fnu, head of HV Fahrzeugbau, the directors of the Horsch Works and of the Works at Werdau, representatives of the Zentral Amt fuer Forschung und Entwicklung and representatives of the BfW. Ziller, who was the main speaker said that his Ministry was fully aware of the material shortages which existed and considered that they would continue during 1952, and probably even into 1953. He was, however, deeply interested in G.5. production and had drawn the attention not only of the HV Fahrzeugbau, but also the HV Elektro Technik to the priority which had to be given to it.

16. During April 1952 work on the H.6. vehicle (also being carried out at Lowa, Werdau, and embodying the same engine, gear box and transmission as the G.5.) was relaxed in order to give priority to the G.5. target. The originally planned figure of 1,500 H.6. vehicles for 1952 was out to 600.

17. The Heavy Class: On 10 April 1952, and in the early part of April, technical tests were carried out on the full-track vehicle KS.05 (formerly KS.120) at a sandpit near Schoenebeck. Although ultimately a four cylinder 150 h.p. diesel engine was envisaged for this vehicle, at the trials the 120 h.p. diesel belonging to the G.5. was used. The proper motor was completed on 24 April at the Forschungs- und Entwicklungswerke Chemnitz. Work on development had been carried out mainly at the Works in Schoenebeck, and the latter considered that the new engine would be built in by 15 May 1952. It was intended that after trials with the correct engine had taken place at Schoenebeck, the vehicle should be given further trials in Gloewen before being brought to Berlin to be demonstrated to Chuikov and Makarov. Once approval had been received from the SCC, it was proposed by the BfW that

300 vehicles should be built in 1952 at Bautzen. (Note: The original specifications for the vehicle held at the BfW came direct from the Zentral Amt fuer Forschung und Entwicklung, on instructions from the SCC, and not, as was the usual course of events, from the HVA. The HVA considered that the limited speed, 28.3 kms. per hour, made the vehicle unsatisfactory for road work).

18. Motorcycle Production: Whereas in the past only motorcycles of up to 350 cc capacity had been produced in East Germany, early in 1952 negotiations were begun by the BfW with SAG Avtovelo for the production of a 500-600 cc motorcycle for the HVA. The position at the end of April was that Levchin, director of Avtovelo, had still not taken any action on instructions received and it appeared highly unlikely that the 712 vehicles ordered would be completed in 1952. The question of limitations placed on motorcycle capacity at the Potsdam Conference had been raised in this connection in some circles, and no one appeared to know how far the conditions imposed by the agreement still applied.

19. Relationship with the SAG's: On about 10 April 1952, Raeschler, began to instruct section heads to place more orders with SAG Works. He said that the VEB's were fully taken up with their work for the Five Year Plan, and that orders which they received for the police were unpopular with them as they were regarded as being negative. Consumer's policy in future would be to transfer the unpopular commitments to SAG Works which were used to deal with the equally unpopular reparations orders.

20. The section heads complained that it was difficult to establish contact with the SAG Works, whose directors used reparations as an excuse for rejecting the BfW's orders. On about 16 April, a conference followed at Weissensee attended by Makarov, Willi Stoph, the General Directors of the SAG Works, Levchin and the senior representative of the SAG Works (name unknown). At the conference Makarov explained to Stoph that the SAG Works had been instructed to give orders from the BfW a priority equal to that of the reparations. Stoph protested about neglect of BfW orders by the SAG's but was assured by Makarov that he would find the position changed in the future. The latter asked Stoph to prepare a report showing all SAG Works with orders from the BfW.

21. Subsequently a memorandum was circulated in the BfW asking section heads to draw up reports to support Stoph's report for Makarov. At the same time, they were also instructed to appoint liaison representatives to the various SAG Works with which important orders had been placed.

22. Bottlenecks affecting Vehicle Production: During April 1952 the most serious bottlenecks affecting vehicle production in the DDR were those of accumulators, and self-starters. In spite of repeated negotiations with the HV Elektro Technik, vehicles had to be turned out incomplete except for a small number which were fitted with self-starters made from old spare parts [redacted] The SAG Works, AFO of Oberschoeneweide, the only firm producing accumulators, was at a standstill owing to shortage of lead. Negotiations between the BfW and the Ministry for Material Procurement revealed that although quantities of lead were ultimately expected from abroad, there were no immediate prospects of improvement. In the course of inquiries it was discovered that 15 tons of lead which were expected to arrive in East Germany were urgently needed for cables.

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